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TREASURY FOR FBOYE

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SUBJECT: EDUCATION GAINS THREATENED BY CRISIS

REF: A) 09 ANTANANARIVO 687 B) 09 ANTANANARIVO 775

11. (SBU) Summary: The political crisis of 2009 adversely impacted the education sector. The suspension of donors' funding and cuts in the government education budget led to an increase of fees paid by parents, who already faced difficulties due to reduced incomes. As a result, enrollment figures, particularly in private schools, dropped significantly. The payment of transfers from the government to schools was delayed. Community-recruited teachers in public schools were not paid in November and December, obliging UNICEF to ask for USD 15 million of emergency funds to ensure that two million students continue to go to school this year. The education reform that was planned to adapt the school system to the economic environment of the country is on hold due to funding suspensions and resistance of the HAT, Catholic schools, and the French to proposed language changes. UNICEF has, however, recently forged a consensus among the donor community that the reform program must continue; otherwise, Madagascar will lose the remaining USD 49 million of donor funds allocated to the World Bank to support the education system. End summary.

Cash-Strapped Parents Stuck with the Bill

12. (U) A survey conducted by the UN regarding the impact of the political crisis in November 2009 concluded that 72 percent of the parents surveyed had difficulties paying school fees and buying school supplies during the beginning of the 2009 school year. This resulted from job losses following the crisis (estimated at more than 200,000 by the UN) and also from an increase in school fees (according to 84 percent of the households surveyed). For public schools, the subscription fees have increased because of a freeze of donor funds that partially paid community-recruited teachers' salaries and a delay, as well as a reduction, of the transfers from the government. Indeed, the budget of the ministry of education was cut by 20 percent in 2009 and by 23 percent for 2010.

Enrollment Declines

13. (U) According to the UNICEF Senior Education Officer, enrollment and attendance in many schools appear to be significantly lower than a year ago. The decrease in enrollment varies from 5 percent to 35 percent in religious schools. The ministry of education has not yet estimated the scope of the drop in enrollment at public schools, because it has not yet collected the number of students enrolled for the 2009-2010 school year. Based on an informal poll of a sample of local public primary schools in Tana, enrollment appears to be down by around 9 percent on average. The largest decrease was recorded in the "low neighborhoods", where poor families live. Teachers report that absenteeism for those enrolled has been more frequent during this school year compared to last year, that more students are coming to school hungry, and that students are more unruly. The UN survey also concluded that there was a shift from private schools to public schools at the beginning of the 2009-2010 school year because parents could no longer afford to pay school fees for

private schools (this school year, 47 percent of the children in the capital are going to private schools versus 50 percent in 2008). UNICEF is launching a study this month on the impact of the crisis on education.

Payment of Government Transfers Delayed

¶4. (U) Previously, the government provided students - mainly in the primary schools - with supplies. This constituted an incentive for parents to send their children to school. Private schools also receive grants called "parental fee relief" from the government that are paid once a year at the beginning of the school year. However in 2009, the payment of these grants was delayed, and the media reported that school kits given to students were insufficient and distributed too late. According to public school directors in contact with Emboff, many students did not have any school supplies, increasing the burden on teachers.

Community-recruited Teachers Unpaid

¶5. (U) To meet the demand of teachers for the more than four million primary students enrolled in public schools, the ministry of education had to recruit 38,000 additional teachers called "FRAM teachers", 58.7 percent of total primary school teachers, who were paid 60 percent by the government and 40 percent by donors during the 2008-2009 school year. In accordance with the GOM's Education for All reform program, starting from 2009-2010, the government should pay 80 percent of their salaries, with the remaining 20 percent paid by the donors. However, due to the cut in the ministry of education's budget as well as the freezing of donor funds, the ministry was not able to pay the salaries of these community-recruited teachers in November and December. To avoid the drop-out of the nearly two million primary school students who would have been teacher-less, the donor community decided in December 2009 to grant emergency catalytic funds of USD 15 million from the World Bank Fast Track Initiative to cover the community teachers' salaries until June 2010 (ref B), provide cash support to schools in ten regions, and construct 263 classrooms for communities without schools. UNICEF was designated to manage these funds, with as little government involvement as possible.

Education Reform on Hold

¶6. (SBU) In 2008, the government launched a reform of the education system (ref A) and requested funding from foreign donors. Through the Fast Track Initiative (FTI), donors agreed to provide USD 85 million for 2009-2010. [Note: the USG did not contribute to FTI. End note.] Following the coup in March 2009, disbursements were suspended. Of the USD 85 million, USD 15 million has been provided in emergency assistance, USD 21 million has been allocated to other countries, and the remaining USD 49 million is frozen. A "circulaire" issued by the HAT minister of education stipulated that the education reform outlined in law 2008-011 has been suspended. This reform, which included a proposal of teaching in Malagasy rather than French in primary schools, was challenged by the Catholic schools and French-speaking schools in 2008. As the HAT minister of education was trained and spent most of his professional career in France, he has a strong bias toward maintaining the French system (which is becoming increasingly ill-suited to Madagascar's realities and the emerging realities of international commerce). Among donors, France has called the education reform into question. UNICEF has underscored that deviations from the agreed upon GOM Education for All Program (which includes the education reforms) would likely put an end to any chances of accessing the remaining USD 49 million of Fast Track funds. UNICEF's lobbying of the Francophone community and other donors on this issue appears to have achieved consensus among donors that the education reform must continue as planned, albeit at perhaps a slower pace.

Comment: Dismal Outlook

¶7. (SBU) Further expected declines in government revenue and continued suspension of donor funding indicate that the education system could be in grave danger by June. Although donors are working on a request for an additional release of emergency Fast Track funds, those funds will only be granted if the HAT clearly indicates that it will stick to the established plan for the education sector, complete overdue payments to an NGO involved in

school construction, and return 15 four wheel drives purchased with FTI funds. The primary school completion rate increased dramatically from 2003 to 2007 (from 36 to 60 percent), but those gains could be reversed if failure to pay teachers leads to massive student drop-outs later this year. End comment.

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